

SUPERVISORY AGREEMENT

This Supervisory Agreement (Agreement) is made and is effective this 12th day of September, 2006 (Effective Date), by and between **American Loan & Savings Association, Hannibal, Missouri**, OTS Docket No. 06160 (American or Association), a federal mutual savings association, and the Office of Thrift Supervision (OTS), a bureau of the United States Department of the Treasury, acting through its Midwest Regional Director or his designee (Regional Director).

WHEREAS, OTS is the primary federal regulator of the Association;

WHEREAS, based upon the Association's May 8, 2006 Report of Examination (ROE), OTS is of the opinion that the Association has engaged in acts and practices that: (i) have resulted in violations of certain laws or regulations to which the Association is subject; and (ii) are considered to be unsafe and unsound;

WHEREAS, OTS is of the opinion that grounds exist for the initiation of an administrative proceeding against the Association;

WHEREAS, OTS is of the view that it is appropriate to take measures intended to ensure that the Association will: (i) comply with all applicable laws and regulations; and (ii) engage in safe and sound practices;

WHEREAS, the Association wishes to cooperate with OTS and to evidence the intent to: (i) comply with all applicable laws and regulations, and (ii) engage in safe and sound practices; and

WHEREAS, the Association, acting through its Board of Directors (Board), enters into this Agreement, without admitting or denying that such grounds exist to initiate an administrative proceeding.

NOW THEREFORE, in consideration of the above premises and the mutual undertakings set forth herein, the parties hereto agree as follows:

1. **Compliance With Laws and Regulations**

The Association and its directors, officers, employees, and agents shall take all necessary and appropriate actions to comply with 12 C.F.R. § 563.161(a) (management and financial policies).

2. **Business Plan**

A. The Association shall comply with the recently adopted five-year Business Plan for the period ending September 30, 2010. Any material new activity, operation, or line of business shall require the prior review and approval of the Board and a written notice of non-objection from the OTS. The Association shall submit any material

modifications to the Business Plan to OTS sixty (60) days prior to implementation unless the OTS waives such time period.

- B. Beginning with the quarter ending September 30, 2006, management shall prepare and submit to the Board, with a copy to OTS, quarterly variance reports on the Association's compliance with the Business Plan within thirty (30) days after the close of each calendar quarter. Such variance reports shall set forth actual operating results versus projected results and shall include detailed explanations of any material deviations from the Business Plan and a specific description of the corrective actions or measures that have been implemented, proposed, or are under consideration to correct any material deviation. A deviation shall be considered material under this Paragraph 2 when: (1) the Association engages in any activity that is inconsistent with the Business Plan; or (2) the Association falls below or fails to meet target amounts established in the Business Plan by more than 15%, unless the activity involves assets risk-weighted 50% or less, in which case a variance of more than 25% shall be deemed to be a material deviation; provided that notwithstanding the foregoing, none of the following deviations shall be deemed to be material: (1) a change of \$150,000 or less in any balance sheet item, (2) a change of \$25,000 or less in any income statement item, except for net income, or (3) a change of \$5,000 or less in net income.
- C. The Board shall fully document its quarterly review of the Business Plan in the Board meeting minutes. By forty-five (45) days after the end of the quarter, the Association shall submit a copy of the Board minutes reflecting its review and a copy of the variance report to OTS.

3. **Failure to Comply with Business Plan**

- A. If the Association materially deviates from the approved Business Plan as determined in accordance with Paragraph 2.B hereof, the Board shall either: (1) develop a viable plan to address the deviation from the Business Plan, or (2) adopt and submit to OTS a board resolution agreeing to pursue the liquidation or merger of the Association. The Board shall take one of these actions within forty-five (45) days after management reported or should have been reported the material deviation from the Business Plan to the Board pursuant to this Agreement. If the Association's plan to address the deviation is unacceptable to OTS, the Board shall adopt the aforementioned board resolution within forty-five (45) days after the OTS's determination.
- B. The Board shall adopt and submit to OTS, within forty-five (45) days after the adoption of the board resolution required in Paragraph 3.A hereof, an acceptable Resolution Plan that provides for entering into a binding agreement for an acquisition by, or merger with, another depository institution, or the sale of all of the Association's assets and liabilities to another depository institution and liquidation of the Association. All time frames shall be acceptable to OTS. The Association shall comply with the Resolution Plan.

- C. On 30th day of each month following the adoption of the Resolution Plan, the Board shall submit a report to OTS that: (1) summarizes all efforts of the Board to sell, merge, or liquidate the Association in compliance with the Resolution Plan (including, but not limited to, discussions with investment advisors, contacts with potential acquirers, and status of due diligence efforts), and (2) provides current Prompt Corrective Action capital ratios as set forth in 12 C.F.R. § 565.4.

4. Management and Directorate Succession Plan

- A. By September 30, 2006, the Board, with a view to the safe and sound operation of the Association and sustained profitability of the Association, shall adopt an appropriate written Management and Directorate Succession Plan (Succession Plan). The Succession Plan must: (1) address a succession plan for current management, taking into consideration the skills and expertise that will be needed to implement successfully the five-year Business Plan; (2) provide for a directorate succession plan and address whether the current directorate should be augmented with additional expertise; and (3) address the staffing levels and expertise necessary to implement the five-year Business Plan, including the need for additional support to management.
- B. By September 30, 2006 (or such later date as may be permitted in writing by OTS), the Association's Board shall submit its proposed Succession Plan (including any related Board minutes) to OTS for its review and a written notice of non-objection.
- C. Upon receipt of written notice from OTS of the acceptability of the Succession Plan (with such revisions as may be required by OTS), the Association shall commence implementation of the Succession Plan.

5. Restrictions on Golden Parachute Payments

The Association shall not make any "golden parachute payments" (as that term is defined in 12 U.S.C. § 1828(k) and 12 C.F.R. Part 359), except as permitted under the applicable statute and regulation.

6. Regulatory Review of Employment Contracts

The Association shall not enter into or renew any employment contracts without the prior review and notice of non-objection of the Regional Director.

7. Restrictions on Adding or Replacing a Board Member, Employing a Senior Executive Officer, or Changing the Responsibilities of a Senior Executive Officer

The Association shall not add or replace any member of its Board of Directors (Board), employ any new senior executive officer or change the responsibilities of any senior executive officer, without the written notice of non-objection in accordance with 12 C.F.R. §§ 563.550 through 563.590, and Section 32 of the Federal Deposit Insurance Act (FDIA), 12 U.S.C. § 1831i.

8. **Compliance with Agreement**

- A. All policies, procedures, corrective actions, plans, programs, and reviews required by this Agreement, including the Business Plan and Succession Plan, (collectively referred to as Plans and Policies) shall conform to all applicable statutes, regulations, and written OTS policy and guidance that have been published by OTS or distributed by OTS to OTS-regulated institutions. The Board shall revise such Plans and Policies as required by OTS. Failure to comply with such Policies and Procedures, including the Business Plan and the Succession Plan, shall constitute a violation of this Agreement.
- B. The Board and management of the Association shall take immediate action to cause the Association to comply with the provisions of this Agreement.
- C. This Agreement requires the Association to receive approval, notice of non-objection, or notice of acceptability from OTS for certain Board actions. The Board affirms that such regulatory oversight does not derogate or supplant each individual member's continuing fiduciary duty. The Board shall have the ultimate responsibility for overseeing the safe and sound operation of the Association at all times including compliance with OTS's determinations as required by this Agreement.
- D. By the 30th calendar day after the end of each calendar quarter, beginning with the quarter of September, 2006, the Board shall adopt and submit to OTS a certified copy of a board resolution formally resolving that, following a diligent inquiry of relevant information (including a report from Association's management regarding the Association's compliance with each provision of this Agreement), to the best of its knowledge and belief, during the immediately preceding calendar quarter, the Association has complied with each provision of this Agreement currently in effect, except as otherwise stated. The Compliance Resolution shall: (1) specify in detail how, if at all, full compliance was found not to exist; and (2) identify all notices of exemption or non-objection issued by OTS that were outstanding as of the date of its adoption. In the event that one or more directors do not agree with the representations set forth in a Compliance Resolution, such disagreement shall be noted in the Board meeting minutes.

9. **Definitions**

- A. All technical words or terms used in this Agreement for which meanings are not specified or otherwise provided by the provisions of this Agreement shall, insofar as applicable, have meanings as defined in Chapter V of Title 12 of the Code of Federal Regulations, Home Owners' Loan Act (HOLA), FDIA, or OTS Publications. Any such technical words or terms used in this Agreement and undefined in Code of Federal Regulations, HOLA, FDIA, or OTS Publications shall have meanings that are in accordance with the best custom and usage in the savings and loan industry.
- B. For purposes of this Agreement, nothing shall be deemed "acceptable" to the

Regional Director or OTS unless the Regional Director, or the assigned Regional Deputy Director or Assistant Director, has stated, in writing, that it is acceptable or has provided a written notice of non-objection to it.

10. **Successor Statutes, Regulations, Guidance, Amendments**

Reference in this Agreement to provisions of statutes, regulations, and OTS Publications shall be deemed to include references to all amendments to such provisions as have been made as of the Effective Date of this Agreement and references to successor provisions as they become applicable.

11. **Notices**

- A. Except as otherwise provided herein, any request, demand, authorization, directive, notice, consent, waiver or other document provided or permitted by this Agreement to be made upon, given or furnished to, delivered to, or filed with:
1. OTS, by American, shall be addressed to the Assistant Director, Office of Thrift Supervision, Department of the Treasury, 225 East John Carpenter Freeway, Suite 500, Irving, Texas 75062-2327 or telecopied to (972) 277-9500; and
 2. American by OTS, in each case shall be addressed to Chief Executive Officer or the Board of the Association, at 105 North Maple Avenue, Hannibal, Missouri 63401-3406 or telecopied to (573) 221-3479.
- B. Such delivery shall be sufficient for every purpose hereunder if in writing and mailed, first class, postage prepaid; sent via overnight delivery service; physically delivered; or means of electronic transmission. If there is a dispute about the date on which a written notice has been received by a party to this Agreement, then, in the event such notice was sent by United States mail, there shall be a presumption that the notice was received two (2) business days after the date of the postmark on the envelope in which the notice was enclosed.

12. **Duration, Termination or Suspension of Agreement**

- A. This Agreement shall: (1) become effective upon its execution by OTS, through its authorized representative, whose signature appears below; and (2) remain in effect until terminated, modified or suspended in writing by OTS, acting through its Director or the Regional Director (including any authorized designee thereof).
- B. The Regional Director, in his sole discretion, may, by written notice, suspend any or all provisions of this Agreement.

13. **Time Limits**

The Regional Director, or the assigned OTS Regional Deputy Director or Assistant

Director, may extend time frames by written notice.

14. **OTS Review of Actions Required**

The Regional Director or the assigned OTS Regional Deputy Director or Assistant Director may request additional information and provide written notice of non-objection or objection with respect to any submission required by this Agreement.

15. **Effect of Headings**

The section or paragraph headings herein are for convenience only and shall not affect the construction hereof.

16. **Separability Clause**

In case any provision in this Agreement is ruled to be invalid, illegal or unenforceable by the decision of any court of competent jurisdiction, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby, unless the Regional Director, in his sole discretion, determines otherwise.

17. **No Violations of Law, Rule, Regulation or Policy Statement Authorized; OTS Not Restricted**

Nothing in this Agreement shall be construed as: (a) allowing the Association to violate any law, rule, regulation, or policy statement to which it is subject; or (b) restricting OTS from taking such action(s), including, without limitation, any type of supervisory, enforcement or resolution action that OTS determines to be appropriate in fulfilling the responsibilities placed upon it by law.

18. **Successors in Interest/Benefit**

The terms and provisions of this Agreement shall be binding upon, and inure to the benefit of, the parties hereto and their successors in interest. Nothing in this Agreement, expressed or implied, shall give to any person or entity, other than the parties hereto and the Federal Deposit Insurance Corporation and their successors hereunder, any benefit or any legal or equitable right, remedy or claim under this Agreement.

19. **Integration Clause**

This Agreement represents the final written agreement of the parties with respect to the subject matter hereof and constitutes the sole agreement of the parties, as of the Effective Date, with respect to such subject matter. All Plans and Policies required by this Agreement, upon modification consistent with this Agreement or OTS's direction, shall become a part of this Agreement and any deviation from these Plans and Policies shall be deemed a violation of this Agreement.

**CERTIFIED COPY OF
RESOLUTION OF BOARD OF DIRECTORS**

I, the undersigned, being the duly appointed and qualified Secretary of American Loan & Savings Association, Hannibal, Missouri (American or Association), hereby certify as follows:

1. A duly called meeting of the Board of Directors of the American was held on September 12th, 2006;
2. At the meeting, a quorum was present and voting throughout;
3. The following is a true copy of the resolution duly adopted by American's Board of Directors, which resolution has not been rescinded or modified and is now in full force and effect:

WHEREAS, American's Board of Directors wishes to continue to cooperate with Office of Thrift Supervision, and to demonstrate that the Board and the Association intend to continue to: (1) comply with all applicable laws and regulations; and (2) engage in safe and sound practices; and

WHEREAS, the Directors of American have read and considered the proposed Supervisory Agreement (Agreement) which shall be attached to the minutes of this meeting; and

WHEREAS, after due consideration, the Directors of American have determined to cause the Association to enter into the proposed Agreement, which is in the best interest of the Association.

NOW THEREFORE, BE IT RESOLVED, that American be, and it hereby is authorized to enter into the Agreement in the form attached to the minutes of the meeting,

FURTHER RESOLVED, that the execution and delivery of, and performance of all of the provisions of the Agreement be, and they hereby are, authorized and approved,

FURTHER RESOLVED, that the Directors and Officers of American be, and they hereby are, authorized and directed to execute and deliver the Agreement and to take all steps necessary or appropriate to implement the terms of the Agreement and to cause the Association to comply in all respects with the terms of the Agreement.

4. All members of the Board of Directors were present and voted at the meeting (except _____) and all members of the Board of Directors (except _____) voted in favor of the resolutions;

IN WITNESS WHEREOF, I have hereto subscribed my name and affixed the seal of American Loan & Savings Association, Hannibal, Missouri, on this 12th day of September, 2006.

/s/
Name:
Title: MANAGING OFFICER

(SEAL)